

ANNUAL FINANCIAL REPORT
INDEPENDENT SCHOOL DISTRICT NO. 29
OAKDALE PUBLIC SCHOOL DISTRICT
OKLAHOMA COUNTY, OKLAHOMA
JULY 1, 2021 TO JUNE 30, 2022

OAKDALE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 29
OKLAHOMA COUNTY, OKLAHOMA
JUNE 30, 2022

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OAKDALE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 29
OKLAHOMA COUNTY, OKLAHOMA
JULY 1, 2021 TO JUNE 30, 2022

SCHOOL DISTRICT BOARD MEMBERS

Kimber Shoop
Todd Corbin
Erin Hulsey

SUPERINTENDENT OF SCHOOL DISTRICT

Dr. Joe Pierce

CLERK OF THE BOARD

Erin Hulsey

SCHOOL DISTRICT TREASURER

Steve Huff

Chas. W. Carroll, P.A.

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Enid, Oklahoma 73701

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INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Oakdale Public School District C#29
Oklahoma County, Oklahoma

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Oakdale Public School District C#29, Oklahoma County, Oklahoma, (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the combined financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances arising from regulatory basis transactions of each fund type and account group of the District, as of June 30, 2022, and the revenues collected and expenditures paid and encumbered for the year then ended, on the regulatory basis of accounting described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraphs, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2022, or the revenues, expenses, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and qualified audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The financial statements referred to above do not include the general fixed asset account group, which is a departure from the regulatory basis of accounting prescribed or permitted by the Oklahoma State Department of Education. The amount that should be recorded in the general fixed asset account group is not known.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, to meet the financial reporting requirements of the Oklahoma State Department of Education, the financial statements are prepared by the District on the basis of the financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education as described in Note 1, to meet the financial reporting requirements of the State of Oklahoma; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the fund type and account group financial statements-regulatory basis that collectively comprise the District's basic financial statements. The accompanying combining financial statements-regulatory basis and the schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements-regulatory basis. The information has been subjected to the auditing procedure applied in the audit of the fund type and account group financial statements within the combined financial statements-regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the financial statements being prepared in compliance with regulatory basis as prescribed by the Oklahoma State Department of Education as discussed in Note 1, the combining financial statements-regulatory basis and the other supplementary information and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the combined financial statements-regulatory basis as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2023, on our consideration of the District's, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Catoosa School District #I-2, Oklahoma County, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in dark ink, appearing to read "Chas. W. Carroll, P.A.", is positioned above the typed name.

Chas. W. Carroll, P.A.
March 29, 2023

COMBINED FINANCIAL STATEMENTS

OAKDALE SCHOOL DISTRICT NO. 29
OKLAHOMA COUNTY, OKLAHOMA
COMBINED STATEMENT OF ASSETS AND LIABILITIES
(ALL FUND TYPES AND ACCOUNT GROUPS) - REGULATORY BASIS
JUNE 30, 2022

	Governmental Fund Types				Fiduciary Fund Types	Account Group	Totals
	General	Special Revenue	Debt Service	Capital Projects Fund	Trust and Agency	General Long-Term Debt	(Memorandum Only)
ASSETS							
Cash and Cash Equivalents	\$1,127,800	\$116,071	\$1,400,892	\$3,376,303	\$70,366	\$0	\$6,091,432
Amount Available in Debt Service Fund	0	0	0		0	99,080	99,080
Amount to be Provided for Retirement of General Long-Term Debt	0	0	0	0	0	4,358,733	4,358,733
Total Assets	1,127,800	116,071	1,400,892	3,376,303	70,366	4,457,813	10,549,245
LIABILITIES							
Warrants Payable	162,734	12,928		803,802	747		980,211
Reserved for Encumbrances	0	0		0			0
General Obligation Bonds Payable			1,297,500			4,402,500	5,700,000
Interest Payable on Bonds			4,312			55,313	59,625
Total Liabilities	162,734	12,928	1,301,812	803,802	747	4,457,813	6,739,836
FUND EQUITY							
Restricted for Building Purposes		103,143					103,143
Restricted for Debt Service			99,080				99,080
Restricted for Capital Projects				2,572,501			2,572,501
Restricted for Student Activities					69,619		69,619
Unassigned	965,066						965,066
Total Fund Equity	965,066	103,143	99,080	2,572,501	69,619	0	3,809,409
Total Liabilities and Fund Equity	\$1,127,800	\$116,071	\$1,400,892	\$3,376,303	\$70,366	\$4,457,813	\$10,549,245

The notes to the financial statements are an integral part of this statement.

**OAKDALE SCHOOL DISTRICT NO. 29
OKLAHOMA COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

	Governmental Fund Types				Fiduciary Fund Types	Totals
	General	Special Revenue	Debt Service	Capital Projects Fund	Trust and Agency	(Memorandum Only)
REVENUES:						
Local Sources	\$4,172,539	\$593,333	\$2,116,665	\$117	\$164,262	\$7,046,916
Intermediate Sources	291,399	0	0	0	0	291,399
State Sources	680,637	0	0	0	0	680,637
Federal Sources	735,291	0	0	0	0	735,291
Total Revenues Collected	5,879,866	593,333	2,116,665	117	164,262	8,754,243
EXPENDITURES:						
Instruction	4,035,403	0	0	105,367	0	4,140,770
Support Services	1,597,120	609,430	0	96,522	0	2,303,072
Non-Instructional Services	293,592	0	0	0	168,955	462,547
Facilities Acquisition & Construction Services	0	0	0	0	0	0
Other Outlays	0	0	0	0	0	0
Bank Charges	0	0	0	0	0	0
DEBT SERVICE:						
Principal retirement	0	0	2,072,500	0	0	2,072,500
Interest paid	0	0	82,312	0	0	82,312
Total Expenditures	5,926,115	609,430	2,154,812	201,889	168,955	9,061,201
Revenue Over (Under) Expenditures	(46,249)	(16,097)	(38,147)	(201,772)	(4,694)	(306,959)
OTHER FINANCING SOURCES (USES)						
Estopped Warrants	3,986	3,543	0	0	0	7,529
Bank Charges	0	0	0	0	0	0
Deobligation of Prior Year Funds	3,835	0	0	0	0	3,835
	7,821	3,543	0	0	0	11,364
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(38,428)	(12,554)	(38,147)	(201,772)	(4,694)	(295,595)
Fund Balance, Beginning of Year	1,003,494	115,697	137,227	4,506,923	74,312	5,837,653
Fund Balance, End of Year	\$965,066	\$103,143	\$99,080	\$4,305,151	\$69,619	\$5,542,059

The notes to the financial statements are an integral part of this statement.

OAKDALE SCHOOL DISTRICT NO. 29
OKLAHOMA COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND AND BUDGETED SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund			Special Revenue Funds		
	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)	Original/Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Local Sources	\$3,776,116	4,172,539	396,423	539,592	593,333	53,741
Intermediate Sources	199,372	291,399	92,027			0
State Sources	640,547	680,637	40,090			0
Federal Sources	698,855	735,291	36,436			0
Total Revenues Collected	5,314,890	5,879,866	564,976	539,592	593,333	53,741
EXPENDITURES:						
Instruction	4,351,382	4,035,403	315,979	0	0	0
Support Services	1,670,000	1,597,120	72,880	655,289	609,430	45,859
Non-Instructional Services	297,000	293,592	3,408			0
Facilities Acquisition & Construction Services		0				0
Other Outlays		0	0			0
Total Expenditures	6,318,382	5,926,115	392,267	655,289	609,430	45,859
Revenues over (under) expenditures	(1,003,492)	(46,249)	957,243	(115,697)	(16,097)	99,600
OTHER FINANCING SOURCES (USES)						
Estopped Warrants		3,986	3,986	0	3,543	3,543
Deobligation of Prior Year Funds		3,835	3,835			0
	0	7,821	7,821	0	3,543	3,543
Revenues and Other Financing Sources						
Over (Under) Expenditures and Other Uses	(1,003,492)	(38,428)	965,064	(115,697)	(12,554)	103,143
Fund Balance, Beginning of Year	1,003,494	1,003,494	0	115,697	115,697	0
Fund Balance, End of Year	\$2	965,066	965,064	0	103,143	103,143

The notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

**OAKDALE SCHOOL DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Oakdale Public Schools Independent District No. 29, Oklahoma County, Oklahoma (the "District") have been prepared in conformity with another comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The District is a corporate body for public purposes created under Title 70 of the Oklahoma statutes and accordingly is a separate entity for operating and financial reporting purposes.

The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on State of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

The governing body of the District is the Board of Education composed of elected members. The appointed superintendent is the executive officer of the District.

In evaluating how to define the district, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities.

Based upon the application of these criteria, there are no potential component units included in the District's reporting entity.

B. Fund Accounting and Description of Funds

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain district functions or activities.

OAKDALE SCHOOL DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

B. Fund Accounting and Description of Funds – (continued)

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types.”

Governmental Fund Types

Governmental funds are used to account for all or most of a government’s general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds).

General Fund – The general fund is used to account for all financial transactions, except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Salary Incentive Aid program. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt. The general fund includes federal and state restricted monies that must be expended for specific programs.

Special Revenue Fund – The special revenue fund is the District’s Building Fund. The Building Fund consists of monies derived from property taxes levied for the purpose of erecting, remodeling, or repairing buildings and for purchasing furniture and equipment.

The Child Nutrition Fund derives monies from State, Federal and local sources.

Debt Service Fund – The debt service fund is the District’s Sinking Fund and is used to account for the accumulation of financial resources for the payment of general long-term debt principal, interest and related costs. The primary revenue sources are local property taxes levied specifically for debt service and interest earnings from temporary investments.

Capital Projects Fund – The capital projects fund is the District’s Bond Fund and is used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, and acquiring transportation equipment.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a trust agreement, trust funds are used for their accounting and reporting. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

OAKDALE SCHOOL DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Agency Fund – The Agency fund is the School Activities fund, which is used to account for monies, collected principally through fundraising efforts of the students and District-sponsored groups. The administration is responsible, under the authority of the Board, of collecting, disbursing and accounting for these activity funds.

Account Groups

Account groups are not funds and consist of a self-balancing set of accounts used only to establish accounting control over long-term debt and general fixed assets not accounted for in proprietary funds.

General Long-Term Debt Account Group – This account group was established to account for all long-term debt of the District, which is offset by the amount available in the debt service fund and the amount to be provided in future years to complete retirement of the debt principal. It is also used to account for liabilities for compensated absences and early retirement incentives, which are to be paid from funds provided in future years.

General Fixed Asset Account Group – This account group is used to account for property, plant, and equipment of the school district. The District does not have the information necessary to include this group in its combined financial statements.

Memorandum Only – Total Column - The total column on the general purpose financial statements is captioned “memorandum only” to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

C. Basis of Accounting and Presentation

The District prepares its financial statements in a presentation format that is prescribed by the Oklahoma State Department of Education. This format is essentially the generally accepted form of presentation used by state and local governments prior to the effective date of GASB Statement No. 34, *Basic Financial Statements-Management’s Discussion and Analysis-for State and Local Governments*. This format significantly differs from that required by GASB 34.

The basic financial statements are essentially prepared on a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma State Department of Education (OSDE) as follows:

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- Investments and inventories are recorded as assets when purchased.
- Capital assets in proprietary funds are recorded when acquired and depreciated over their useful lives.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.
- Accrued compensated absences are recorded as an expenditure and liability when the obligation is incurred.

OAKDALE SCHOOL DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. Basis of Accounting and Presentation – (continued)

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable, or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred for governmental fund types; and, when revenues are earned and liabilities are incurred for proprietary fund types and trust funds.

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education by December 31 for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the District must hold an election on the second Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate.

The District may upon approval by a majority of the electors of the District voting on the question make the ad valorem levy for emergency levy and local support levy permanent. Under current Oklahoma Statutes, a formal budget is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories.

E. Assets, Liabilities, and Fund Equity

Cash and Cash Equivalents – For purposes of the statement of cash flows, the District considers all cash on hand, demand deposits, and highly liquid investments, with an original maturity of three months or less when purchased, to be cash and cash equivalents.

Investments – Investments consist of direct obligations of the United States Government and Agencies with maturities greater than three months when purchased. All investments are recorded at cost, which approximates market value.

Property Tax Revenues – The district is authorized by state law to levy property taxes, which consist of ad valorem taxes on real and personal property within the district. The county assessor, upon receipt of the certification of tax levies from the County Excise Board, extends the tax levies on the tax roll for submission to the County Treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes are due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

OAKDALE SCHOOL DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

E. Assets, Liabilities, and Fund Equity – (continued)

Inventories – The value of consumable inventories on June 30, 2022 is not material to the basic financial statements.

Fixed Assets – (Property, Plant, and Equipment)--The District has not maintained a historical record of its general fixed assets. Accordingly, a General Fixed Asset Account Group, which is required by the regulatory basis of accounting (as prescribed by the Oklahoma State Department of Education) is not presented. Amounts that should be recorded in the General Fixed Asset Account Group are not known. When general fixed assets are purchased, they are recorded as expenditures within the various funds. As a result, annual depreciation and accumulated depreciation are not reported in the financial statements.

Compensated Absences – The district provides vacation and sick leave benefits in accordance with Oklahoma Statutes, which provides for annual sick leave and personal business days. Accrued vacation and sick leave benefits are not reflected in the financial statements because such statements are prepared on the regulatory basis of accounting. This practice differs from generally accepted accounting principles.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. There are no amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources.

Long-Term Debt – Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Fund Balance – Fund balance represents the cash and investments not encumbered by purchase order, legal contracts, and outstanding warrants.

F. Revenue, Expenses, and Expenditures

State Revenues – Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts.

OAKDALE SCHOOL DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

F. Revenue, Expenses, and Expenditures – (continued)

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made.

The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided. These rules also require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires that categorical educational program revenues be accounted for in the general fund.

Interfund Transactions – Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditure/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

2. DEPOSIT AND INVESTMENT RISKS

Custodial Credit Risk - The District's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100 percent of the uninsured deposits and accrued interest thereon. The investment policy and state law also limits acceptable collateral to U.S. Treasury and agency securities and direct debt obligations of the state, municipalities, counties, and school districts in the state of Oklahoma, surety bonds, and letters of credit. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the District must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2022, the District was not exposed to custodial credit risk as defined above.

Investment Credit Risk – The District's investment policy limits investments to those allowed in state law applicable to school districts as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

OAKDALE SCHOOL DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Investment Credit Risk (continued) - Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits investments to those with short-term maturities, as a means of managing exposure to fair value losses arising from increasing interest rates. The District discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments.

Concentration of Investment Credit Risk – Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the District (any over 5 percent are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The District's investment policy requires diversification of investments.

On June 30, 2022, the District had no concentration of credit risk as defined above.

3. INTERFUND RECEIVABLES AND PAYABLES

There were no Interfund receivables or payables at June 30, 2022.

4. GENERAL LONG-TERM DEBT

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue.

OAKDALE SCHOOL DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

4. GENERAL LONG-TERM DEBT - (continued)

General long-term debt of the District consists of bonds payable, obligations for compensated absences, and capital leases. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2022:

	Bonds <u>Payable</u>	<u>Total</u>
Balance, July 1, 2021	\$ 7,500,000	\$ 7,500,000
Additions		
Retirements	1,800,000	1,800,000
Balance, June 30, 2022	<u>\$ 5,700,000</u>	<u>\$ 5,700,000</u>

A brief description of the outstanding general obligation bond issues at June 30, 2022 is set forth below:

	<u>Amount Outstanding</u>
Independent School District No. 29 Building Bonds, Series 2021, original Issue \$4,500,000, interest rate of 0.35% to 0.55% , due in annual installment of 2,500,000, and then final installment of \$2,500,00 due June 1, 2024.	\$ 4,500,000
Independent School District No. 29 Building Bonds, Series 2018, original Issue \$4,735,000, interest rate of 2.50% to 2.65% , due in an initial installment of \$1,135,000 and then annual installments of \$1,200,000, due June 1, 2023.	<u>1,200,000</u>
TOTAL	<u>\$ 5,700,000</u>

OAKDALE SCHOOL DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

4. GENERAL LONG-TERM DEBT - (continued)

The annual debt service requirements for retirement of bond principal and payment of interest are as follows:

Year ending <u>June 30</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,450,000	\$ 51,750	\$ 3,501,750
2024	2,250,000	7,875	2,257,875
	----- \$ 5,700,000	----- \$ 59,625	----- \$ 5,759,625

Interest expense on general long-term debt incurred during the current year totaled \$82,312.

5. EMPLOYEE RETIREMENT SYSTEM

Basis of Accounting

The System's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The financial statements have also been prepared in compliance with the requirements of the Government Accounting Standards Board Statement No. 34.

The financial statements are prepared on the accrual basis of accounting, under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period they are earned and become measurable, and investment purchases and sales are recorded as of their trade dates. Member and employer contributions are recognized when due, pursuant to formal commitments. Benefits and refunds are recognized when due and payable.

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. Actuarial valuations, are not performed on individual school districts. The nonfunded pension benefit obligation of the System, as determined as part of the latest actuarial valuation indicates a significant unfunded pension benefit obligation.

OAKDALE SCHOOL DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

5. EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Funding Policy

A participant with five years of creditable service may retire with a normal retirement allowance at the age of sixty-two (62) or with reduced benefits as early as age fifty-five (55). The normal retirement allowance paid monthly for life and then to beneficiaries, if certain options are exercised, equals two percent of the average of the highest three earning years of contributory service multiplied by the number of years of credited service. A participant leaving employment before attaining retirement age, but completing ten years of service, may elect to vest his/her accumulated contributions and defer receipt of a retirement annuity until a later date. When a participant dies in active service and has completed ten years of credited service, the beneficiary is entitled to a death benefit of \$18,000.00 and the participant's contributions plus interest. If the beneficiary is a surviving spouse, the surviving spouse may, in lieu of the death benefit elect to receive, subject to the surviving spousal options, the participant's retirement benefits accrued at the time of death. The contribution rates for the Districts, which are not actuarially determined, and its employees are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. Employers' contribution of applicable employee earnings was 9.0% from July 1, 2021 to January 1, 2022. The rate increased to 9.5% from January 1, 2022, through June 30, 2022.

The District's total payroll and related contributions to the System were as follows:

	<u>Total Payroll</u>	<u>Contributions</u>
2021-22	\$ 3,912,265.	\$ 373,359.
2020-21	\$ 3,599,249.	\$ 346,547.
2019-20	\$ 3,416,409.	\$ 332,114.

6. CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

7. RISK MANAGEMENT AND LITIGATION

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, employees' health and life, and natural disasters. The District manages these various risks of loss through the purchase of commercial insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

OAKDALE SCHOOL DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 31, 2022, which is the date the financial statements were issued.

OTHER SUPPLEMENTARY INFORMATION

OAKDALE SCHOOL DISTRICT NO. 29
OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF ASSETS AND LIABILITIES - REGULATORY BASIS
SPECIAL REVENUE FUNDS
JUNE 30, 2022

	<u>BUILDING FUND</u>	<u>TOTALS (Memorandum Only)</u>
ASSETS		
Cash and Cash Equivalents	<u>\$116,071</u>	<u>\$116,071</u>
Total Assets	<u><u>116,071</u></u>	<u><u>116,071</u></u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Warrants Outstanding	12,928	12,928
Reserved for Encumbrances	<u>0</u>	<u>0</u>
Total Liabilities	<u>12,928</u>	<u>12,928</u>
Fund Equity:		
Restricted for Building Fund Purposes	<u>103,143</u>	<u>103,143</u>
Total Fund Equity	<u>103,143</u>	<u>103,143</u>
Total Liabilities and Fund Equity	<u><u>\$116,071</u></u>	<u><u>\$116,071</u></u>

**OAKDALE SCHOOL DISTRICT NO. 29
OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>BUILDING FUND</u>	<u>TOTALS (Memorandum Only)</u>
Revenues:		
Local Sources	<u>\$593,333</u>	<u>\$593,333</u>
Total Revenues Collected	<u>593,333</u>	<u>593,333</u>
Expenditures:		
Instruction		0
Support Services	<u>609,430</u>	<u>609,430</u>
Total Expenditures	<u>609,430</u>	<u>609,430</u>
Excess of Revenues Over (Under) Expenditures	<u>(16,097)</u>	<u>(16,097)</u>
Other Financing Sources (Uses):		
Estopped Warrants	<u>3,543</u>	<u>3,543</u>
Total Other Financing Sources	3,543	3,543
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(12,554)</u>	<u>(12,554)</u>
Fund Balance, Beginning of Year	<u>115,697</u>	<u>115,697</u>
Fund Balance, End of Year	<u><u>\$103,143</u></u>	<u><u>\$103,143</u></u>

**OAKDALE SCHOOL DISTRICT NO. 29
OKLAHOMA COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETED SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

	Building Fund		
	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Local Sources	\$539,592	\$593,333	\$53,741
Total Revenues	539,592	593,333	53,741
EXPENDITURES :			
Instruction	0	0	0
Support Services	655,289	609,430	45,859
Total Expenditures	655,289	609,430	45,859
Revenues Over (Under) Expenditures	(115,697)	(16,097)	99,600
OTHER FINANCING SOURCES (USES):			
Estopped Warrants	0	3,543	3,543
Total Other Financing Sources (Uses)	0	3,543	3,543
Revenue and Other Sources Over (Under) Expenditures and Other Uses	(115,697)	(12,554)	103,143
Fund Balance, Beginning of Year	115,697	115,697	0
Fund Balance, End of Year	\$0	\$103,143	\$103,143

OAKDALE SCHOOL DISTRICT NO. 29
OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF ASSETS AND LIABILITIES - REGULATORY BASIS
CAPITAL PROJECTS FUNDS
JUNE 30, 2022

	<u>BOND FUND #34</u>	<u>BOND FUND #35</u>	<u>BOND FUND #36</u>	<u>TOTALS (Memorandum Only)</u>
ASSETS				
Cash and Cash Equivalents	<u>\$117</u>	<u>\$90,494</u>	<u>\$3,285,692</u>	<u>\$3,376,303</u>
Total Assets	<u>117</u>	<u>90,494</u>	<u>3,285,692</u>	<u>3,376,303</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Warrants Payable	0	0	803,802	803,802
Reserved for Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>803,802</u>	<u>803,802</u>
Fund Equity:				
Restricted for Capital Projects	<u>117</u>	<u>90,494</u>	<u>2,481,890</u>	<u>2,572,501</u>
Total Fund Equity	<u>117</u>	<u>90,494</u>	<u>2,481,890</u>	<u>2,572,501</u>
Total Liabilities and Fund Equity	<u>\$117</u>	<u>\$90,494</u>	<u>\$3,285,692</u>	<u>\$3,376,303</u>

**OAKDALE SCHOOL DISTRICT NO. 29
OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>BOND FUND #34</u>	<u>BOND FUND #35</u>	<u>BOND FUND #36</u>	<u>TOTALS (Memorandum Only)</u>
Revenues:				
Interest	<u>\$117</u>	<u>\$0</u>	<u>\$0</u>	<u>\$117</u>
Total Revenue	<u>117</u>	<u>0</u>	<u>0</u>	<u>117</u>
Expenditures:				
Instruction			105,367	105,367
Support Services	71,820	0	24,702	96,522
Facilities Acquisition & Construction Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>71,820</u>	<u>0</u>	<u>130,069</u>	<u>201,889</u>
Excess of Revenues Over (Under) Expenditures	<u>(71,703)</u>	<u>0</u>	<u>(130,069)</u>	<u>(201,772)</u>
Other Financing Sources (Uses):				
Estopped Warrants	0	0	0	0
Proceeds from Sale of Bonds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources	0	0	0	0
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(71,703)</u>	<u>0</u>	<u>(130,069)</u>	<u>(201,772)</u>
Fund Balance, Beginning of Year	<u>71,820</u>	<u>90,494</u>	<u>4,344,609</u>	<u>4,506,923</u>
Fund Balance, End of Year	<u>\$117</u>	<u>\$90,494</u>	<u>\$4,214,540</u>	<u>\$4,305,151</u>

**OAKDALE SCHOOL DISTRICT, NO. 29
OKLAHOMA COUNTY, OKLAHOMA
SCHOOL ACTIVITY FUNDS--RECEIPTS, TRANSFERS,
DISBURSEMENTS AND SUBACCOUNT BALANCES - REGULATORY BASIS
JULY 1, 2021 TO JUNE 30, 2022**

	<u>Balance 7/01/21</u>	<u>Deposited</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Balance 6/30/22</u>
801 Sports	\$20,193.45	\$44,340.30	\$0.00	\$48,877.07	\$15,656.68
810 Cheer	484.47	0.00	0.00	0.00	484.47
831 Concessions - All Sports	11,344.64	2,232.48	0.00	2,400.70	11,176.42
901 Class Projects	273.86	7,559.75	0.00	7,526.50	307.11
930 Daycare	1,585.63	60,191.69	0.00	59,950.49	1,826.83
940 Box Tops/Target	1,154.46	55.30	0.00	122.70	1,087.06
950 Band-Students	2,211.09	9,380.00	0.00	9,467.25	2,123.84
960 Stem Program	1,748.03	5,000.00	0.00	2,091.80	4,656.23
980 Yearbook	3,421.38	785.00	0.00	176.24	4,030.14
988 School Projects	9,328.01	6,659.92	0.00	13,426.60	2,561.33
990 Library	15,381.95	13,596.75	0.00	10,973.21	18,005.49
991 Builders Club	4,125.26	4,983.01	0.00	5,150.74	3,957.53
992 Leadership	2,794.20	8,817.48	0.00	8,691.05	2,920.63
995 Art Class	265.86	659.90	0.00	100.75	825.01
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u><u>\$74,312.29</u></u>	<u><u>\$164,261.58</u></u>	<u><u>\$0.00</u></u>	<u><u>\$168,955.10</u></u>	<u><u>\$69,618.77</u></u>

**OAKDALE SCHOOL DISTRICT NO. 29
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022**

	Project Code	Federal CFDA Number	Program or Award Amount	Cash/ Beginning Balance at July 1, 2021	Federal Receipts	Federal Expenditures Direct Costs	Indirect Costs	Cash/ Ending Balance at June 30, 2022
<u>U.S. Department of Education:</u>								
Passed through the Department of Education:								
Title I	511	84.010	\$18,748.10		8,644.46	18,748.10		(10,103.64)
Title I - Prior Year	799	84.010		(11,300.09)	11,300.09			0.00
Title II - Transferability	511	84.367	11,579.72		11,579.72	11,579.72		0.00
Title IV - Transferability	511	84.424	10,000.00		10,000.00	10,000.00		0.00
Title I Cluster			<u>40,327.82</u>	<u>(11,300.09)</u>	<u>41,524.27</u>	<u>40,327.82</u>	<u>0.00</u>	<u>(10,103.64)</u>
COVID-19 CDC - Epidemiology & Laboratory Capacity	723	84.425	150,000.00		43,878.83	91,766.43	2,211.57	(50,099.17)
COVID-19 GEER/ESSER II - Prior Year	799	84.425		(8,444.12)	8,444.12			0.00
COVID-19 Cares Act/ESSER I - Prior Year	799	84.425		(7,954.97)	7,954.97			0.00
COVID-19 ESSERF/GEER	789	84.425	7,943.00			7,943.00		(7,943.00)
COVID-19 ESSER II	793	84.425	19.71			19.71		(19.71)
COVID-19 ESSER II - Prior Year	799	84.425		(61,663.98)	61,663.98			0.00
COVID-19 ESSER II Set Aside	794	84.425	141,051.80			141,051.80		(141,051.80)
COVID-19 ESSER II Set Aside - Prior Year	799	84.425		(173,432.67)	173,432.67			0.00
Sub-Total			<u>299,014.51</u>	<u>(251,495.74)</u>	<u>295,374.57</u>	<u>240,780.94</u>	<u>2,211.57</u>	<u>(199,113.68)</u>
IDEA-B Monitoring Assistance	615	84.027	1,312.16			1,312.16		(1,312.16)
IDEA-B Monitoring Assistance - Prior Year	799	84.027		(1,512.74)	1,512.74			0.00
IDEA-B Flow Through	621	84.027	108,613.55			108,486.15	127.40	(108,613.55)
IDEA-B Flow Through - Prior Year	799	84.027		(51,244.41)	51,244.41			(0.00)
IDEA-B High Needs Tier 2	627	84.027	77,749.66		56,713.03	77,749.66		(21,036.63)
COVID-19 ARP - IDEA-B Flowthrough	628	84.027	29,259.22			29,259.22		(29,259.22)
IDEA-B Pre-School	641	84.173	1,953.52			1,953.52		(1,953.52)
COVID-190ARP- IDEA-B Pre-School	643	84.173	1,659.58			1,659.58		(1,659.58)
Special Education Cluster			<u>220,547.69</u>	<u>(52,757.15)</u>	<u>109,470.18</u>	<u>220,420.29</u>	<u>127.40</u>	<u>(163,834.66)</u>
<u>U.S. Department of Agriculture:</u>								
Passed Through the State Department of Education								
Food Service Programs - Lunches	763	10.555	221,689.91		221,689.91	182,632.74		39,057.17
Food Service Programs - Breakfasts	764	10.553	47,712.77		47,712.77	47,712.77		0.00
COVID-19 USDA Supply Chain Assistance	759	10.555	18,671.69		18,671.69	18,671.69		0.00
NSLP Cares Emergency Funding	762	10.555	233.66		233.66	233.66		0.00
USDA Donated Food		10.550	23,323.05		23,323.05	23,323.05		0.00
Child Nutrition Cluster			<u>311,631.08</u>	<u>0.00</u>	<u>311,631.08</u>	<u>272,573.91</u>	<u>0.00</u>	<u>39,057.17</u>
COVID-19 P-EBT Local Admin	760	10.649	614.00		614.00	614.00		0.00
Total Child Nutrition Program			<u>312,245.08</u>	<u>0.00</u>	<u>312,245.08</u>	<u>273,187.91</u>	<u>0.00</u>	<u>39,057.17</u>
Total Federal Assistance			<u>\$872,135.10</u>	<u>(\$315,552.98)</u>	<u>\$758,614.10</u>	<u>\$774,716.96</u>	<u>\$2,338.97</u>	<u>(\$333,994.81)</u>

Note A: Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Oaklawn Public Schools District and is presented on another comprehensive basis of accounting conforming with the accounting practices prescribed or permitted by the Oklahoma State Department of Education which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this method, expenditures are recognized when an approved purchase order is issued.

Note B: Commodities representing non-cash expenditures have been included in the Schedule of Federal Awards which is an exception to the prescribed basis of accounting.

Note C: Federal expenditures reported above were chargeable to the respective Federal programs, however, in some instances, they may not be identical to amounts recorded under the specific OCAS project codes in the District's accounting records. Common reasons for those variances include: (1) timing differences, (2) differences in basis of accounting utilized, (3) mis-coding to other project codes, (4) refunds or reimbursements that offset expenditure data, (5) matching (or other local) expenditures that supplement or exceed Federal awarded amounts, and (6) approved indirect costs which are recorded under separate project codes.

Note D: The District did not receive any Federal awards that were passed through to subrecipients.

Note E: The District did not elect to use the 10% de minimis indirect cost rate allowed by the Uniform Guidance.

Note F: The District reports that they did not receive any federally funded protective equipment (PPE) from all sources.

OAKDALE SCHOOL DISTRICT NO. 29
SCHEDULE OF STATUTORY, FIDELITY, AND HONESTY BONDS
FOR THE YEAR ENDED JUNE 30, 2022

RLI Surety – Bond No. RSB8007002
\$100,000.00 Limit – Payroll, Encumbrance, and Minutes Clerk
\$5,000.00 Limit – Secretary/Activity Fund Clerk
\$5,000.00 Limit – Secretary/Lunch Fund
\$5,000.00 Limit – Principal
Effective Date: March 29, 2021 to March 29, 2022
March 29, 2022 to March 29, 2023

Steve Huff – Treasurer
Employee Dishonesty Bond
Old Republic Surety Company – Bond No. POB2005019
\$100,000.00 Limit
Effective Date July, 1, 2021 to June 30, 2022

Dr. Joe Pierce – Superintendent
Employee Dishonesty Bond
Old Republic Surety Company – Bond No. LPO2108622
\$100,000.00 Limit
Effective Date July, 1, 2021 to June 30, 2022

INTERNAL CONTROL AND COMPLIANCE REPORTS

Chas. W. Carroll, P.A.

Independence Tower – Suite 103
302 N. Independence
Enid, Oklahoma 73701

Phone 580-234-5468
Fax 580-234-5425

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Board of Education
Oakdale Public School District C#29
Oklahoma County, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements-regulatory basis of the Oakdale Public School District C#29, Oklahoma County, Oklahoma, (the District) as listed in the Table of Contents, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s financial statements, and have issued our report thereon dated March 29, 2022, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission for general fixed asset account groups with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Response to Findings

The District's response to the findings identified in our audit is described in the accompanying school's corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Chas. W. Carroll, P.A.", is positioned above the typed name and date.

Chas. W. Carroll, P.A.
March 29, 2022

Chas. W. Carroll, P.A.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *THE UNIFORM GUIDANCE*

The Honorable Board of Education
Oakdale Public School District C#29
Oklahoma County, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Oakdale Public School District C#29, Oklahoma County, Oklahoma, (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Uniform Guidance* will always detect material noncompliance when it exists.

The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user on the report of compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the *Uniform Guidance*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness on the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify and deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in dark ink, appearing to read "Chas. W. Carroll, P.A.", is positioned above the printed name.

Chas. W. Carroll, P.A.
March 29, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**OAKDALE SCHOOL DISTRICT NO. 29
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued

With respect to conformity with

Generally Accepted Accounting Principles

Adverse

With respect to the use of Regulatory

Basis of accounting and the omission of
the general fixed asset group

Qualified – due to the omission of
the general fixed asset group

Internal control over financial reporting:

* Material weakness(es) identified?

_____ Yes X No

* Significant Deficiency(ies) identified

not considered to be material weakness(ies)?

_____ Yes X None Reported

Noncompliance material to financial statement noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

* Material weakness(es) identified?

_____ Yes _____ No X N/A

* Significant Deficiency(ies) identified

not considered to be material weakness(es)?

_____ Yes X None Reported

Type of auditors’ report issued on compliance for

Major programs:

Unqualified

Any audit findings disclosed that are required to

be reported in accordance with the Uniform

Guidance

_____ Yes X No

Identification of major programs:

CFDA Number

Name of Federal Program

84.425

ESSER II & ESSER III

10.550,10.553, 10.555, 10.569

Child Nutrition

Dollar threshold used to distinguish between type

A and type B programs

\$750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

**OAKDALE SCHOOL DISTRICT NO. 29
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Section II – Findings Relating to the Financial Statements

N/A

Section III – Findings and Questioned Costs for Federal Awards

N/A

Section IV – Status of Prior Year Audit Findings

Prior year audit findings have been addressed and resolved.

Section V – Management’s Corrective Action Plan

N/A

ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT

Schedule of Accountants' Professional Liability Insurance Affidavit For the Year Ending June 30, 2022

